PART IV

Section 1-C

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT.

GOVERNMENT OF KARNATAKA

FINANCE SECRETARIAT

No. FD 4 R & I 78, dated 12th January 1978

From

The Financial Commissioner and
Secretary to Government, Finance Department.

The Secretaries to Government,
and the Heads of Departments.

Sir, Sub —Tax deducted at source and accounting of the collections of Sur-charge (Union)—Instructions regarding—

I am directed to forward herewith a copy of Official Memorandum No. F. No. 275/23/77-IT (B), dated 18th October 1977 from the Deputy Secretary to the Government of India, Ministry of Finance, Department of Revenue, New Delhi, for information and necessary action.

Suitable instructions may also be issued to all the subordinate officers of your Department in this behalf.

Yours faithfully,

C SIVANNA

Under Secretary to Government,
Finance Department (Services).

F. No. 275/23/77-IT (B)

GOVERNMENT OF INDIA

Ministry of Finance. Department of Revenue

New Delhi, the 18th October, 1977.

OFFICE MEMORANDUM

Sub :— Tax deducted at source and accounting of the collections of sur-charge (Union)—Instructions regarding—

The undersigned is directed to say that according to the existing procedure outlined in Board's O.M. No. 101/1/76-CCA, dated

the 23rd December, 1976, the Ministries/Departments of the Central Government were requested to furnish, every month, the consolidated figures of tax deducted at source under the various major, minor and sub-heads of accounts to the Commissioner of Income-tax, Delhi-I, New Delhi.

2. A perusal of the statements received from the Principal Accounts Officers reveals that the amount of Sur-charge (Union), wherever levied under the Finance Act of the relevant year, is not being shown by some of them correctly. While the amount of Income-tax (excluding tax on Union Emoluments) deducted from persons other than companies is divisible between the Union and the States, the proceeds of Sur-charge (Union) do not form part of divisible pool and are meant for the Central Government. Even otherwise there is a great need for correct classification of the amount of tax deducted at source by way of Sur-charge (Union). The Public Accounts Committee has also, time and again, underlined the need for correct classification of Sur-charge (Union) in the reports submitted by the Committee to the Parliament.

3. All the Ministries/Departments are, therefore, requested to instruct the Drawing and Disbursing Officers under their control that Sur-charge (Union) is deducted by them correctly and is shown distinctly in the bills prepared and sent by them to the Pay and Accounts Officers or their Field Pay Units for authorising the payment. The Pay and Accounts Officers and their Field Pay Units may be instructed to ensure, before authorising the payment, that the amount of Income-tax and Sur-charge (Union) have been correctly shown in the bill.

4. According to the procedure followed by some of the Drawing and Disbursing Officers, it appears that the Sur-charge (Union) payable by the employees is worked out towards the end of the Financial Year and the Sur-charge (Union) so worked out is deducted in the last pay bill of this Financial Year. As the procedure does not enable the Pay and Accounts Officers to keep a watch over correct classification of the Sur-charge (Union), the Ministries/Departments are requested to instruct the Drawing and Disbursing Officers under their control that Sur-charge should invariably be indicated in all the bills in which Income-tax is deducted at source. Thus, for example, if Rs. 10 is deducted as Income-tax in respect of an employee in the monthly pay bill, the Sur-charge (Union) worked out on that amount (*i. e.*, 15% of the amount) which comes to Rs. 1.50 should also be deducted alnogwith Income-tax and shown in the monthly bills under separate heads. Irregularities if any, coming to the notice of the Pay and Accounts Officers should be brought to the notice of Drawing and Disbursing Officers and urgent rectificatory action should be taken within the same financial year to adjust any excess or deficiency in the case of the employees from whose income any deduction of tax is made.

5. Even with regard to other payments such as Interest on Securities, Lottery prizes, etc., where Sur-charge (Union) is required to be deducted alongwith Income-tax, the Drawing and Disbursing Officers/Pay and Accounts Officers may be instructed to ensure that the amounts of Income-tax and Sur-charge (Union) are shown separately and correct deductions made.

6. A copy of the instructions issued in the matter may please be endorsed to this office. The State Governments, Central Government/State Government undertakings and Government companies are also requested to issue simliar instructions to their Drawing and Disbursing Officers/Treasury Officers/Pay and Accounts Officers.

(Sd.) S. R. WADHWA,

G.S.R.— *Deputy Secretary to the Government of India.*

PERSONNEL AND ADMINISTRATIVE REFORMS SECRETARIAT

Notification No. DPAR 123 SAS 77
Bangalore dated, 12th January 1978

The Government of India, Ministry of Home Affairs, Department of Personnel and Administrative Reforms' Notification No. 14012/8/77-AIS (III) dated 29th December 1977 is republished as hereunder :

No. 14012/8/77-AIS (III).
Government of India/Bharat Sarkar
Ministry of Home Affairs/Grih Mantralaya
Department of Personnel and Administrative Reforms
(Karmik Aur Prashasnik Sudhar Vibhag)

New Delhi-110001 dated the 29th December 1977

NOTIFICATION

In exercise of the powers conferred by rule 34 of the Indian Administrative Service (Probation) Rules. 1954, the President is pleased to confirm, in the Indian Administrative Service, the following members of the Indian Administrative Service borne on the State Cadre of Karnataka with effect from the date shown against each:

1.	Shri S. V. Ranganath	13-7-1977
2.	Shri Vijay Devasher	13-7-1977